

MEMORANDUM OF UNDERSTANDING  
between the  
EXTENSION SERVICE  
and the  
FARMERS HOME ADMINISTRATION  
U. S. DEPARTMENT OF AGRICULTURE

I. Purpose

The purpose of this Memorandum of Understanding (MOU) is to establish policies and procedures that will encourage and provide for a continuing working relationship between the Extension Service (ES) and the Farmers Home Administration (FmHA) in support of farmers, upgrade the level of living for those who live on farms and in small towns (or in the open country), and promote economic development in small towns and rural areas.

II. Situation

The Extension Service, operating under the Smith-Lever Act of 1914, as amended, has placed a high priority on educational programs in Agriculture, Natural Resources, Home Economics, Community Resource Development, and 4-H Youth. These programs relate to the expressed needs of agricultural producers, rural families, rural businesses, and communities. Certain components of the programs relate directly to the interests and needs of Farmers Home Administration borrowers and potential borrowers.

The Extension Service desires that interested farmers, rural families, and rural communities and businesses avail themselves of the educational programs offered.

The Farmers Home Administration (FmHA) provides financial assistance through loans and grants to farmers, rural residents, communities and businesses, among other things, to:

- A. Help build the financial strength and management capability of family farmers
- B. Expand rural business and industry, increase income and employment, and control or abate pollution. Install water and waste disposal systems and other community facilities that will help rural areas upgrade the quality of living and promote economic development and growth.

- C. Assist low income families in rural America to purchase modest, safe and decent housing or to obtain such housing in the private sector at rents they can afford.

The Cooperative Extension Service, through the involvement of local people, develops educational programs and provides educational assistance designed to:

- A. Assist farmers and the managers of agricultural businesses in their continuing efforts to determine efficient and profitable ways to produce, market, process, and use farm products. Total farm financial and business management is an important part of this program.
- B. Assist families with information related to housing, home furnishing, household equipment, maintenance, management, and consumer education, including money management and the proper use of credit.
- C. Assist people in communities by providing the motivation and knowledge to deal with human, social, natural resource, or economic problems which require group considerations and solutions, thus making the communities a better place in which to live and work. Through such processes as community organization, leadership development, and education, citizens are assisted in their efforts to study facts, discuss issues, and take action toward improving the level of living in rural areas.

### III. Agreement

Therefore, it is mutually agreed that the Extension Service and the Farmers Home Administration will continue to improve their cooperative working relationships designed to foster and encourage FmHA borrowers' and prospective borrowers' active participation in Extension educational programs.

Under terms of this Agreement, the Extension Service will:

- A. Assign an appropriate staff member to function in a liaison capacity with the FmHA staff at the national level in areas where mutuality of interest exists and cooperative programs can be developed.

B. Encourage State Cooperative Extension Services to:

1. Work with FmHA State, District and County staff, as appropriate, to acquaint them with Extension-Agriculture and Natural Resources, Home Economics, and Community Resource Development programs and assistance available.
2. Consider, with FmHA State, District, and County staff as appropriate, procedures which might be followed to encourage and assist FmHA borrowers to become involved in appropriate Extension-sponsored short courses, conferences, field days, workshops, and meetings.
3. Include FmHA borrowers on Extension mailing lists, as appropriate.
4. Inform FmHA State, District, and County staff, as appropriate, concerning Extension program thrusts and capabilities related to agriculture, home management, and community resource development.
5. Obtain and provide information to families, communities, and businesses regarding FmHA rural credit programs, including loans, grants and other financial assistance, to farmers, rural residents, communities, and businesses.

Under terms of this Agreement, the Farmers Home Administration will:

- A. Assign an appropriate staff member to function in a liaison capacity with the Extension Service staff at the national level in areas where mutuality of interest exists and cooperative programs can be developed.
- B. Encourage FmHA State and county personnel to:
  1. Work with State and county Cooperative Extension Services, as appropriate, to acquaint them with FmHA programs and changes as they occur.

2. Provide the State and county Cooperative Extension Services with the names of borrowers, and encourage borrowers to contact the county CES office for advice on best management practices.
3. Arrange conferences with State and county Cooperative Extension Services to discuss needs of borrowers and develop plans for mutually assisting borrowers.
4. Provide State and county Cooperative Extension Services with appropriate informational materials on current FmHA programs for distribution to Extension audiences.
5. Inform FmHA borrowers of relevant Cooperative Extension Service programs, and strongly encourage them to participate in the Extension educational programs.
6. Inform Cooperative Extension Services of community loan or grant applications so that Extension may work closely with those communities in the implementation stages.

Under terms of this Agreement, the Farmers Home Administration (FmHA) and the Cooperative Extension Service (CES) jointly will:

- A. Establish a joint FmHA-CES Committee for the purpose of facilitating mutual program operations, communication, fostering better understanding, sharing information, and supporting programs of beneficial interest to both agencies.
  1. It is expected that the Committee will, in support of the activities described in (A) above, consider and analyze, as appropriate, the impact on farmers and lenders of new or proposed changes in programs, procedures and regulations of each agency, and make recommendations to agency Administrators. Additionally, the Committee may suggest new programs or approaches to solve problems of mutual interest to both agencies.

2. The Committee shall consist of appropriate State and National FmHA and ES personnel so as to provide a cross section of agency expertise and broad national geographic representation. Agency representatives on the Committee shall be appointed by each agency Administrator. The Committee may establish special subcommittee or task forces for the purpose of conducting special studies or projects, subject to approval by each agency.
3. The FmHA and ES liaison officers created in part III of this MOU shall serve as co-chairs of the Committee.
4. The Committee shall meet twice a year, unless additional meetings are required for special purposes, as determined by the Administrator of each agency.
5. Establish a task force to develop a cooperative agreement and work plan to utilize personnel and other resources of the two agencies (and other USDA agencies as appropriate) in the development of practical projects of mutual interest. This may involve, but not be limited to, Small and Limited Resource Farmer Initiative, Alternative Agricultural Opportunities (AAO) and Limited Input Sustainable Agricultures (LISA).

#### IV. Annual Meetings

It is mutually agreed that the state level Directors of Cooperative Extension Service and Directors of Farmers Home Administration will meet at their earliest convenience for the purpose of reviewing this MOU and, thereafter, meet at least annually to review past accomplishments and to determine new opportunities to better serve rural families, farmers, businesses, communities, and individuals.

#### V. Programming, Budgeting, Funding, and Reimbursement Arrangements

This MOU is neither a fiscal nor a funds obligation document. Any endeavor involving reimbursement or contribution of funds between the parties of this MOU will

be handled in accordance with prescribed procedures and will be subject to subsidiary agreements which shall be effected in writing by representatives of both parties.

VI. Effective Date

This MOU will become effective upon signature by representatives of the two Agencies. Its provisions will be reviewed annually and amended or supplemented as may be mutually agreed upon.

VII. Earlier MOU

This MOU supersedes the Memorandum of Understanding dated October 4, 1988.

  
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Administrator  
Extension Service

Oct. 12 - 1990  
Date

  
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Administrator  
Farmers Home Administration

9-13-90  
Date